

Southern Railway System

Real Estate and Insurance Department

P.O. Box 1808

Washington, D.C. 20013

WILLIAM D. MCLEAN
Vice President

920 15TH STREET, N. W.
TELEPHONE
(202) 628-4460

November 19, 1979
58104

11062

RECORDATION NO. Filed 1425

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D. C. 20423

NOV 19 1979 - 1:30 PM
INTERSTATE COMMERCE COMMISSION

Dear Mrs. Mergenovich:

I enclose three original counterparts of the instrument described in paragraph (1) hereof, for recordation pursuant to Section 11303 of Title 49, U.S. Code (formerly Section 20c of the Interstate Commerce Act) and return, together with two additional counterparts thereof which are for the Commission's files.

In accordance with 49 CFR Part 1116, covering the recordation of documents, I wish to advise as follows:

- (1) The enclosed document is a Lease of certain railroad equipment, more fully described below, from Southern Region Industrial Realty, Inc., Lessor, P.O. Box 1808, Washington, D.C. 20013, to Southern Railway Company, Lessee, P.O. Box 1808, Washington, D.C. 20013, dated as of November 15, 1979.

- (2) The equipment covered by this Agreement is described as follows:

176 70-ton 52'6" CUF Insulated Box Cars, bearing Lessee's road numbers 584824-584999, inclusive, AAR designation XPI.

Each unit of the Equipment will be marked in letters not less than one-half inch in height as follows:

"OWNED BY A BANK OR TRUST COMPANY UNDER A FINANCING AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION UNDER SECTION 11303 OF TITLE 49, U.S. CODE."

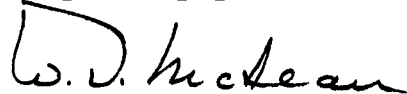
Counterparts - 3
Agatha L. Mergenovich

(3) After recordation, the original documents should be returned to David R. Willson, General Attorney, Law Department, Southern Railway Company, P.O. Box 1808, Washington, D.C. 20013.

(4) The recordation fee of \$50.00 is enclosed.

Please acknowledge receipt of these documents on the enclosed copy of this letter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "W. D. McLean". The signature is written in dark ink and is positioned above the printed name.

W. D. McLean

Enclosures

11/19/79

Interstate Commerce Commission
Washington, D.C. 20423

OFFICE OF THE SECRETARY

W.D. McLean
Southern Railway System
P. O. Box 1808
Washington, D. C. 20013

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/19/79 at 1:30 pm, and assigned re-recording number(s) 11062

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

Executed in five Counterparts of
which this is Counterpart No. /

11062
RECORDATION NO. Filed 1425

NOV 19 1979 - 1 39 PM

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT, dated as of November 15, 1979, by and between SOUTHERN REGION INDUSTRIAL REALTY, INC., a Georgia corporation (the "Vendor"), and SOUTHERN RAILWAY COMPANY, a Virginia corporation (the "Vendee")

W I T N E S S E T H:

THAT

WHEREAS, Vendee desires to acquire 176 70-Ton 52'6" CUF Insulated Box Cars, to bear Vendee's road numbers 584824-584999, both inclusive, hereinafter called the "Cars"; and

WHEREAS, inasmuch as Vendee has not yet consummated financing arrangements for the acquisition of the Cars, it is not in a position to accept delivery of the Cars at this time; and

WHEREAS, Vendee, by Purchase Order No. 137457, dated as of November 15, 1979, has contracted with Fruit Growers Express Company ("Fruit Growers") to build these Cars, among others; and

WHEREAS, the builder of the Cars, Fruit Growers, under the terms of the Purchase Order, is to deliver the Cars to Vendee at Alexandria, Virginia, freight charges, if any, prepaid; and

WHEREAS, Vendee anticipates that the above-described financing arrangements will be consummated on or before May 15, 1980, and Vendee, in order that it may take possession of and use the Cars pending completion of such financing arrangements, has requested Vendor to take an assignment of Vendee's rights to receive and purchase these Cars under the Purchase Order, to purchase these Cars on delivery, and to give Vendee temporary custody and possession of the Cars, solely as a lessee of the Cars; and

WHEREAS, Vendor is willing to accept such assignment, and to purchase and lease the Cars upon the terms and conditions hereinafter stated;

NOW, THEREFORE, in consideration of the premises and of the promises of the parties herein contained, the parties agree as follows:

1. Vendee hereby assigns to Vendor its rights to receive and purchase these Cars under the Purchase Order and Vendor hereby accepts such assignment and designates the Vendee as its agent to accept delivery of the Cars.

2. Vendor agrees to lease the Cars to Vendee and Vendee agrees to hire the Cars from Vendor at the delivery point above referred to. The rights of Vendee hereunder in respect of each Car shall commence on the date of acceptance of such Car as agent for the Vendor and end on the earlier of May 15, 1980, or the date of payment of the purchase price of such Car under the above financing arrangements. Vendee shall purchase the Cars from Vendor or provide a purchaser therefor on or before May 15, 1980, and Vendor shall sell the Cars to Vendee or such purchaser as Vendee may provide, at the total purchase prices as set in the Purchase Order as it relates to the Cars, and its obligation so to do shall be absolute, regardless of the condition of the Cars at such time. When the purchase price of any Car has been paid to Vendor, this Agreement shall automatically be terminated with respect to such Car without further action by or notice to any party concerned. On delivery of each Car to Vendee, Vendee will assume the responsibility and risk of loss with respect to such Car.

3. Title to the Cars shall remain in Vendor and Vendee's right and interest therein is and shall be solely that of possession, custody, and use as lessee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. Vendee shall do such acts as may be required by law, or reasonably requested by Vendor, for the protection of Vendor's title to and interest in the Cars.

4. As rental for the Cars, Vendee agrees to pay in cash to Vendor upon the termination of this Agreement the sum of \$1.00.

5. Vendee agrees that it will permit no liens of any kind to attach to the Cars, and that it will (a) indemnify and save harmless Vendor from any and all claims, expenses, or liabilities of whatsoever kind, and (b) pay any and all taxes, fines, charges, and penalties that may accrue or be assessed or imposed upon the Cars or the Vendor because of its ownership or because of the use, marking operation, management or handling of the Cars by Vendee during the term of this Agreement.

6. Vendee will, at its own expense, keep and maintain the Cars in good order and running condition and will, at its option, repair or replace or promptly pay to Vendor the purchase price in cash of those Cars which may be damaged or destroyed by any cause during the term that this Agreement applies to such Cars.

7. Prior to the delivery of the Cars to Vendee there shall be plainly, distinctly, permanently, and conspicuously marked and maintained by the Vendee upon each side of each Car in letters not less than one-half inch in height the following words:

"OWNED BY A BANK OR TRUST COMPANY UNDER A FINANCING AGREEMENT RECORDED WITH THE INTERSTATE COMMERCE COMMISSION UNDER SECTION 11303 OF TITLE 49, U.S. CODE"

8. Vendor shall have the right to assign its rights under this Agreement or under the Purchase Order pursuant to the financing arrangements referred to above.

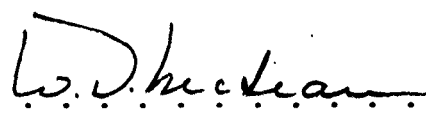
9. Vendor shall have no obligation to warrant the condition of the Cars but agrees to pass to Vendee or Vendee's nominee the builder's warranties and those of any suppliers of components on or for the Cars.

10. Vendee shall have the right to assign or transfer its rights hereunder, or to transfer or sublet the Cars (subject to this Agreement and the rights of Vendor hereunder, and without releasing Vendee from any of its obligations hereunder) to any affiliate of Vendee.

SOUTHERN REGION INDUSTRIAL
REALTY, INC., AND
SOUTHERN RAILWAY COMPANY,
By

L.S.
ATTEST:


Assistant Secretary


Vice President of each of the
above Companies

DISTRICT OF COLUMBIA.

On this 15th day of November, 1979, before me personally appeared W. D. McLean, to me personally known, who, being by me duly sworn, says that he is a Vice President of SOUTHERN RAILWAY COMPANY and of SOUTHERN REGION INDUSTRIAL REALTY, INC., that the corporate seal of each of said corporations is affixed to the foregoing instrument, that said instrument was signed and sealed on behalf of each of said corporations by authority of its respective Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of each of said corporations.



C. O. WAGNER
Notary Public

In and For the District of Columbia
My Commission Expires May 31, 1982